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BARRIERS to International GRAIN TRADE in Selected FOREIGN Countries

U.S. DEPARTMENT OF AGRICULTURE/FOREIGN AGRICULTURAL SERVICE
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BARRIERS to International GRAIN TRADE in Selected FOREIGN Countries

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International grain trade is conducted subject to controls and restrictions by many national governments. Techniques employed by individual countries vary. But the more popular means of control include tariffs, variable levies, skimmings, deficiency payments, mixing regulations, quotas, licensing, and state trading. One of the primary objectives of these trade restrictions is the protection of farm income by assuring consumption of indigenous agricultural production at selected price levels.

During the years immediately after World War II, balance of payments and strategic objectives ranked high as justification for restrictions imposed on international trade. In many cases negotiated concessions, such as grain tariff reductions and binding of tariffs were impaired by import licensing procedures, skimmings on imports, and mixing regulations. Balance of payments difficulties were in many cases considered justification for these restrictions.

In the meantime, domestic incomes and price relations adjusted to the protection afforded by the trade restrictions. Thus, even though the balance of payments justifications became less and less valid, the trade restrictions remained to protect producers.

The preparations for the Kennedy Round of tariff negotiations suggest that the restrictions on world grain trade will not be overlooked in the negotiations. It has been clearly stated that liberalization of agricultural trade is a necessary condition for conclusion of the Kennedy Round. For example, the Honorable Christian A. Herter stated that, "We cannot expect to move toward freer trade in industrial products if we at the same time leave agriculture stagnating in a morass of protectionism, or even sinking deeper into it. That is why I have said, often and emphatically, that the United States will enter into no ultimate agreement unless significant progress is registered toward trade liberalization in agricultural, as well as in industrial products."[1]

It is impossible to anticipate the outcome of the negotiations. But the close link between domestic agricultural policy of importing countries and their trade policy affecting grain suggests that if the outcome of

[1] Address by The Honorable Christian A. Herter, Special Representative for Trade Negotiations, before the Economic Club of Detroit, Detroit, Mich., March 30, 1964.

negotiations is to be satisfactory, domestic policies must be at least indirectly confronted. To do otherwise will permit continuation of present world grain trade conditions without significant liberalization.

This release contains information on barriers to international grain trade in a selected group of countries. All member countries of the General Agreement on Tariffs and Trade (GATT) as of January 1, 1964, were included in the study if in 1960-61 they imported more than 200,000 metric tons of wheat and wheat flour of which 100,000 tons involved commercial transactions, or more than 200,000 metric tons of coarse grains of which at least 100,000 were included in commercial transactions.

In addition, statements relative to the exporting countries of Argentina, Australia, Canada, and the Republic of South Africa were included. Also discussed were Finland because of its associate status with the European Free Trade Association (EFTA) and Greece because of its associate status with the European Economic Community (EEC), even though their imports were not equal to the criteria applied in selecting other countries for inclusion. The limitation of the country coverage to GATT members excluded Venezuela, Philippines, Algeria, and Malaya.

The information contained in this publication is presented for general information only. It is not intended as a complete, authoritive source on all the barriers to international grain trade applicable in any given country.

Many people in the U.S. Government and outside the government contributed to the material included in this release. Agricultural attaches, members of the FAS Grain and Feed Division, members of the Operations Analysis Division of FAS, Regional Analysis Division of Economic Research Service, cooperators, and trade groups all made a contribution.

Importing Countries

Austria

HIGHLIGHTS OF GRAIN ECONOMY

Fixed prices

Imports by state trading or free enterprise

Requests for payment in "Eastern Clearing Dollars"

Specification of countries of origin

1963-64 producer prices (in dol. per m.t.)

Wheat[1]	**95.44**
Barley[2]	**73.25**

[1] Average official producer price for bread wheat. [2] Average free wholesale price quoted on Vienna Produce Exchange, reduced by an assumed whole margin.

The agricultural policy of Austria is aimed toward providing a high percentage of domestic food needs at reasonable prices from home production, without the development of surpluses.

The government establishes the official producer prices and subsidies for domestically produced bread grains, as well as the fixed price of flour and bread.

The import system is a combination of state trading and free enterprise. The Grain Marketing Board prepares the annual plan for imports and issues public tenders specifying goods to be imported, dates of delivery and country or countries of origin (for example, Manitoba No. 2, feed corn of Russian origin or feed corn of all countries excluding Yugoslavia and Mexico). The board awards the purchase contract to the importer with the low bid. Differentials between Austrian gate prices and purchase price are skimmed off by the board.

Under the price equalization system, the prices paid by wholesalers for domestic bread grains, and for imported bread grains and feed grains (the latter handled exclusively by the Grain Board) are brought to uniform levels by absorption of price differentials. All bread grain and feed grain imports are exempt from import duty but subject to a skimming charge whenever the price, c.i.f. Austrian border, is lower than the official price.

Payment for grains imported into Austria is made according to the "kind of payment" specification in individual public tenders. That is to say that one tender may specify payment in Eastern clearing currency, while another may call for payment in Eastern clearing dollars if the grain to be imported is of Eastern origin. For grain of Western origin, free convertible currency is allocated by the Grain Board. For some tenders, free convertible currency is made available regardless of the origin of the grain.

In those cases where payment in Eastern clearing dollars is specified, importers are free to convert to any convertible currency, but must do so on their own account outside of Austria. Cost of conversion ranges from 2 to 8 percent, usually 2 to 4 percent.

New regulations governing imports are proposed:

1. The Ministry of Agriculture would estimate total import needs.
2. On the basis of this estimate the Grain Board would issue public notice of demand for grain, covering a certain period of time.
3. Grain importers would purchase grain on a commercial basis. Importers would carry sales risk for imported grain. Skimming charges would be determined monthly on the basis of the world market price and the Austrian gate price. These fixed skimming charges would be levied by the Grain Board regardless of the importer's actual purchase costs.

Denmark

HIGHLIGHTS OF GRAIN ECONOMY

Mixing regulations

Variable import levies

1963-64 producer prices (in dol. per m.t.):

Wheat	**74.20**
Barley	**67.30**

Mixing regulations at present require use of 100 percent Danish wheat and rye in the production of flour for domestic sale. This percentage is reduced in periods of short supply. In effect, this prohibits imports of wheat and rye, except for feeding, unless it is processed for export. (During 1963-64, imports of rye were authorized to equal 15 percent of the rye milled, because of the poor quality of the 1963 rye crop.)

Minimum import prices for feed grains for the 1964-65 season, as of August 1964, were:

	U.S. dol. per m.t.[1]		U.S. dol. per m.t.[1]
Wheat, for feed	66.70	Rye, for feed	66.70
Corn	66.70	Oats	63.35
Barley	66.70	Grain sorghum	65.25

[1] Approximate.

Variable fees are collected in the enforcement of these prices. The fees equal the difference between minimum import and c.i.f. prices.

Levies collected on grain are used to finance a special subsidy to "smallholders" which is paid in lieu of a rebate on imported feed grain purchased in order that their feed grain costs are about the same as if they purchased grain at world prices.

Fees are collected on many of the slaughtered livestock products for which the feed is used. Exporters of these products receive rebates which on a per unit basis are equivalent to the fees collected. Fees collected on products consumed domestically are paid farmers as a price supplement at the time of sale of livestock.

Total subsidies to agriculture (including marketing fees collected on domestic sales) are estimated at $120 million (833 million kroner) for 1963-64 and at $118 million (815 million kroner) for 1964-65.

European Economic Community

HIGHLIGHTS OF GRAIN ECONOMY

Variable levy system
1963-64 producer prices (in dol. per m.t.):[1]

Wheat:	
Belgium	**95.64**
Netherlands	**92.50**
Italy	**111.74**
France	**86.38**
W. Germany	**109.98**
Barley:	
Belgium	**77.03**
Netherlands	**75.57**
Italy	**77.85**
France	**66.97**
W. Germany	**96.37**
Corn:	
Italy	**75.00**
France	**83.73**

[1] Simple average of monthly prices.

The present variable levy system for grain was placed in effect by the EEC on July 30, 1962. The variable levies are determined daily, and currently are calculated for the individual member countries. The difference between the "standardized c.i.f. price" and the applicable threshold price constitutes the levy assessed on imports from third countries.

To determine the standardized c.i.f. price, the actual c.i.f. prices are adjusted with quality equivalence coefficients which are to reflect the differences in qualities between the EEC standard grains and the respective imported grains. The lowest resulting adjusted c.i.f. prices are then selected as the standardized c.i.f. prices.

The equivalence coefficients are fixed and are, therefore, not adjusted if actual price relations deviate from the fixed equivalence coefficients. This has important cost implications. For example, in the case of wheat, individual wheats can be the determinants of the levy for extended periods of time if their price, relative to prices of EEC standard wheat and other wheats, is lower than that implied by the equivalence coefficients. In such cases preference is given to indigenous EEC production since the levies are larger than would be the case if the equivalence coefficients accurately reflected the market price differentials.

The determination of the EEC administered grain price structure is also designed to give preference to indigenous EEC grain production for use within the Community. For example, threshold prices are related to target prices. For any product for which a target price is established, the threshold price is the target price: (1) less marketing costs from a selected port of entry to the center for which the target prices are established; (2) plus the "lump sum" (montant forfaitaire); and (3) plus or minus adjustment from national quality to common quality standard.

The lump sum, now amounting to $1.10 per metric ton, is designed to give a preference to indigenous EEC products coming from a second EEC member country and not from outside the community. Preference is also afforded grain of member states through the use of a supplemental wheat levy in Italy on quality wheat and also through sorghum threshold prices in some member countries unrealistically high in relation to corn threshold prices.

Another feature of the price system which encourages consumption of indigenous production is the setting of intervention prices 5 to 10 percent below related target prices. Regulations prescribe that intervention agencies must purchase all quantities offered at the intervention prices. Thus, farmers are assured of prices consistent with the intervention prices. Consequently, prices of indigenous products can be permitted to drop 5 to 10 percent below related import prices (adjusted for quality), if necessary to stimulate consumption of EEC-produced grain.

For some grain products, there are no target prices. For these, provisions have been made for calculating the threshold prices from other threshold prices of products for which target prices have been established.

The regulation established a threshold price for imported flour which is

equal to the equivalent, in terms of flour, of the threshold price for wheat, plus a margin for milling, plus an additional margin to protect domestic millers, less an allowance to offset the returns millers receive from sales of mill feed.

Levies on intracommunity trade are determined by the difference between franco-frontier prices and threshold prices reduced by the lump sum. Thus, preference equal to the lump sum is given to imports from member countries. Any increases in the lump sum would result in higher threshold prices, with unchanged levies on intra-community trade but increased levies on third country imports, assuming that c.i.f. and franco-frontier prices are unchanged.

The system of import and export certificates makes possible the monitoring of imports, exports, and the collection of levies.

Refunds on exports from member countries are also an important aspect of the levy system. For exports from Member countries to third countries, the refunds are generally not to exceed the levy applicable to third-country imports. But variations of the refund procedures are also permissible. One alternative is the authorization to import free from import levies. The regulations also permit determining the refund by a tender system. Freight allowances of up to $12.00 per metric ton are also permitted. These procedures often place the prices of EEC grain below those of third-country grain in world markets.

Average threshold prices, by EEC member country, for September 1964 were:

	Wheat U.S. dol. per m.t.	Barley U.S. dol. per m.t.	Corn U.S. dol. per m.t.
Belgium	99.20	83.40	77.40
Luxembourg	114.60	83.40	77.40
France	99.03	81.77	97.08
West Germany	120.62	105.02	105.02
Italy	114.40	67.20	64.29
Netherlands	105.94	83.98	79.70

Average EEC levies applicable to third-country grain, by member country, for September 1964, were:

	Wheat U.S. dol. per m.t.	Barley U.S. dol. per m.t.	Corn U.S. dol. per m.t.
Belgium	40.60	25.20	17.00
Luxembourg	49.80	25.20	17.00
France	37.57	21.29	35.51
West Germany	60.67	45.47	43.40
Italy	52.21	5.41	1.30
Netherlands	47.35	25.80	19.17

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Finland

HIGHLIGHTS OF GRAIN ECONOMY

Import licensing
Variable levy on coarse grain imports
Variable surcharge on wheat imports
State grain import monopoly
Mixing regulations
1964-65 producer prices (in dol. per m.t.):

Wheat	**186.92**
Barley	**118.38**

The import of grains is controlled by import licenses, while variable levies are used to protect domestic production.

A semi-autonomous government agency buys all domestic surpluses of wheat and rye offered at target prices.

A state grain monopoly imports all wheat, rye, barley, and oats, but not grains for seeding purposes.

Mixing regulations normally require use of 75 to 80 percent domestic wheat and about 50 to 60 percent domestic rye.

Greece

HIGHLIGHTS OF GRAIN ECONOMY

Required import approval
Severe restriction on imports
Mixing regulations
1962-63 producer prices (in dol. per m.t.):

Wheat	**99.30**
Barley	**72.70**

Grain imports are subject to approval of the Ministry of Commerce. Recently imports, except imports by the government of Hard Red Winter wheat and feed grains, have been restricted to small amounts of specialty flours and brewing barley. The government has imported grain under PL 480, since domestic production is inadequate to meet total requirements. The average annual imports of Hard Red Winter wheat have been about 30,000 metric tons.

Basic wheat support price for 1963 was $2.46 a bushel. In addition to price support, special financial assistance is given to small growers and producers experiencing serious crop losses because of abnormal weather.

The commercial mills are obligated to grind government wheat and free trade wheat in such proportions as the Ministry of Commerce stipulates. These proportions vary with the availability of free trade wheat, usually with higher percentages of the latter just after harvest.

Farmers can sell their wheat either to the Government Collection Pro-

gram or to the "free trade". Government decrees fix basic guaranteed prices for the collection program, while prices in the free trade at slightly lower levels are established by market regulations. Many farmers prefer to sell to the free trade just after harvest, to avoid the traffic jams at the collection pools.

Ireland

HIGHLIGHTS OF GRAIN ECONOMY
Mixing regulations
Licensing of imports
Unofficial limitations on imports
Duty dependent on unmillable wheat amounts
1962-63 producer prices (in dol. per m.t.):

Wheat	**69.70**
Barley	**56.00**

Wheat and wheat product imports are made under licenses. A temporary import duty was placed on wheat imports during 1962-63 but none during 1963-64. The duty on imported wheat is dependent on the amount of unmillable domestic wheat available.

The mixing regulation requires 75 percent of total milling requirements to be from domestic wheats.

No wheat flour may be imported unless it is to be used in products destined for export.

There is a move under way to place the import and export of wheat under the control of the Grain Board.

The government is attempting to decrease wheat production and increase barley production, thereby reducing feed grain import requirements.

The government issues all feed grain import licenses through the Grain Board and the country's feed supply is determined by the same agency. Initially, corn and grain sorghum imports were unofficially limited to 90,000 long tons. This level of imports is flexible, however, in that it can be adjusted to take into account decreased indigenous supplies.

Norway

HIGHLIGHTS OF GRAIN ECONOMY
Domestic policy: increased grain production
State trading
1963-64 producer prices (in dol. per m.t.):

Wheat	**121.22**
Barley	**105.23**

Imports and exports of grains and feeds, as well as commercial handling of all domestic grains are reserved to the government monopoly, the Norwegian Grain Corporation. It is committed to purchase all domes-

tic grain offered for sale, at prices which are fixed by the Parliament.

The goal of the policy is to stimulate domestic grain production and to maximize use of domestic feeds.

Portugal

HIGHLIGHTS OF GRAIN ECONOMY

State trading

Discriminatory licensing

Foreign exchange control

1962-63 producer prices (in dol. per m.t.):

Wheat[1]	**104.50**
Barley[2]	**62.30**

[1] Fixed price: Plus special subsidy which average about $10.50 per metric ton.
[2] Guaranteed minimum base price for beginning of season's purchases.

All grains and grain products are subject to minimum duties, varying from approximately $21.00 to $56.00 per ton.

The government maintains strict control, with licenses, over imports. A National Regulatory Board reviews the supply situation and sets an annual amount to be imported to meet domestic consumption requirements only. Government is the sole importer of wheat.

The National Federation of Wheat Producers (NFWP), a private corporative body, is the only agency allowed to purchase domestic wheat. Wheat is then allotted, through the NFWP, to bakeries. The government controls the price of flour and bread.

In addition, control of foreign exchange has a restrictive influence on grain imports.

Spain

HIGHLIGHTS OF GRAIN ECONOMY

Absence of production controls

Aid to feed grain production

Guaranteed prices to producers

State trading

Variable levies

1962-63 producer prices (in dol. per m.t.):

Wheat	**93.10**
Corn[1]	**72.50**
Barley	**69.30**

[1] Support price.

Efforts are being made to expand feed grain production in order to meet mounting consumption requirements. In June 1963, the government issued a decree establishing aids in the production of feed grains.

The government has discontinued the practice of determining the area devoted to wheat and coarse grain production, and now allows free planting. Price bonuses are given for wheat, rice, and sugarbeet production, if these products are raised on land formerly in vineyards, or land that has recently been consolidated, or on newly irrigated or reclaimed lands.

The government controls wheat deliveries from farms by means of regulations issued for each crop year. These regulations also establish support prices for all types of grain, including grain sorghums. While all wheat trade is compulsorily handled on the basis of official or support prices, feed grain producers seldom make use of the government to market their grain.

Grain imports are still a part of the "state trading system." While all wheat imports are made by government agencies, feed grain imports can be made either directly by government agencies or under licenses by the private trade. Feed grain imports made by private trade are subject to payment of an equalization fee (variable levy) established periodically by the government. The fee is paid in addition to the import duty of 1 percent "ad valorem", plus 3 percent excise or fiscal tax.

Sweden

HIGHLIGHTS OF GRAIN ECONOMY
Regulatory export-import association
Export subsidies
Variable import levies
Mixing regulations
Milling quotas
1962-63 producer prices (in dol. per m.t.):

Wheat ________________96.38
Rye __________________79.55

Imports of wheat and rye are controlled by means of licensing by the Swedish Grain Trade Association.

The Swedish Grain Trade Association also administers export subsidies on all grains. Only members of the association are entitled to export subsidies.

Import taxes are assessed on imports of all grains. Taxes on wheat and rye are subject to change, in response to certain prescribed rules. Taxes on feed grains are subject to change at any time at the discretion of the Agricultural Marketing Board.

The import taxes protect the high domestic price level. The Swedish Grain Trade Association "guarantees" redemption prices for wheat and rye. Feed grain prices are protected by import taxes as well as by export subsidies.

To a major extent, milling fees and import taxes finance purchases and sales under the redemption-price and export-subsidy systems. Feed

grain exports are partly financed by head taxes on livestock slaughtered.

The Swedish Grain Trade Association has standby authority to impose mixing regulations and milling quotas for wheat and rye.

Switzerland

HIGHLIGHTS OF GRAIN ECONOMY

Domestic policy: Increased grain production
Acreage payments
Mixing regulations
Flour imports virtually prohibited
Licensing of coarse grain imports
1962-63 producer prices (in dol. per m.t.):

Wheat	**160.10**
Barley	**124.80**

Domestic policy is aimed partly at increasing or maintaining crop production in order to limit the availability of pasture. These policies tend to reduce or avoid surpluses in livestock products, especially milk.

Guaranteed prices to domestic producers of bread grains are considerably above world price levels. All wheat and rye offered by farmers must be purchased by the Federal Cereals Administrator, if baking quality is good. This organization then sells the grain to the flour mills at current world market prices. Millers are obliged to mill domestic bread grains in amounts related to their total milling. The percentage of domestic grains to be used is fixed each year, depending on the quantity of domestic production.

Regular importation of bread grains is in private hands but the Federal Cereals Administration may import grains for the purpose of maintaining and rotating stocks.

Farmers receive premiums for bread grains that, instead of being sold to the Federal Cereals Administration, are used to make flour for home consumption.

Domestic production of feed grains is encouraged by payments for land in feed grains ($37.37 per acre per annum). Since June 1, 1961, marketing of domestic feed grains has been facilitated by subsidizing freight and other marketing costs to a maximum amount of $9.27 per ton.

Domestic feed grain prices are not fixed, but domestic prices are indirectly protected by substantial import duties (corn, 38 cents per bushel; feed wheat, 35 cents per bushel; grain sorghums, 53 cents per bushel).

Stocking of coarse grains totaling 190,000 metric tons and of wheat totaling 400,000 metric tons is required.

Flour may be imported only by the Administration and in practice only in case of emergency or of substantial rises in domestic flour prices.

Licensing of feed grain imports requires certification that the importers have also purchased potato flakes in amounts related to requested feed grain imports.

United Kingdom

HIGHLIGHTS OF GRAIN ECONOMY

Deficiency payment system
Farming grants and subsidies
Standard quantity approach on grains
Commonwealth preferences
Minimum import prices
"Gentlemen's Agreements" on wheat and barley
Australian wheat and wheat flour agreement
1964-65 guaranteed producer returns (in dol. per m.t.):

Wheat ______________73.03
Barley ______________73.49

With important modifications in specific instances the general principles of U.K. farm policy from the 1954-55 period to 1964 have been:

1. To encourage increased domestic farm production through:
   a. Guaranteed prices implemented with deficiency payments[1] available for all quantities produced.[2]
   b. Production grants for practices which would increase farm productivity and efficiency.
2. To allow free importation of farm products at prices prevailing in world markets.[2]

Developments in prices of agricultural products in world markets, increased U.K. agricultural production, the level of guaranteed prices, and increased farming grants and subsidies have caused large Exchequer costs. The year of largest Exchequer costs was 1961-62. In that year, the total cost of Exchequer support to agriculture was $959.3 million (£342.6 million), of which $205 million was for deficiency payments on grain. Two-thirds of the total amount of expenditures was incurred in the implementation of price guarantees on all commodities while a little less than one-third was for production grants with the remainder estimated administrative costs.

Some of the prominent "Farming Grants and Subsidies" are the fertilizer grants, lime subsidy, plowing grants, and the calf subsidy.

The largest in terms of Exchequer expenditures are the fertilizer grants. This program makes grants to farmers purchasing nitrogenous and phosphatic fertilizers. In 1962, two of the rates were $22.54 (£8 1s.) per long ton for sulphate of ammonia and $15.33 (£5 9s. 6d.) per long ton for superphosphate.

The lime subsidy program makes it possible for the individual farmers to recover from the government 65 percent of the delivered cost of lime.

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[1] Deficiency payments are payments made to farmers to offset the amount by which market prices are below the guaranteed prices.

[2] As explained below, these approaches have been modified somewhat with respect to grains by the introduction of standard quantities for wheat and barley and minimum import prices.

Further, the government will pay part of the spreading costs.

Plowing grants are available for plowing of grassland. In 1962-63, the grants were $19.60 (£7) per acre. It was reduced to $14.00 (£5) per acre for 1963-64. However, the expected Exchequer savings are to be used to encourage renovation of permanent grasslands and production of winter forage.

The Australian Wheat Agreement involves 750,000 tons of wheat and wheat flour. Millers who have underwritten this agreement have indicated that they would attempt to use this much Australian wheat in their grind.

The "Gentlemen's Agreements" on wheat and barley, entered into by the respective processing industries are in one case a formalized statement and in the other a letter, in both of which the related milling industries indicate that they will, to the extent possible, use domestic grain.

During the spring of 1964, the British announced changes in U.K. cereal-import policies and U.K. domestic grain policies. The main changes which were introduced July 1, 1964 are:

A. The adoption by the U.K. Government of the objective of maintaining a fair and reasonable balance between domestic production and imports, with an opportunity for exporters to share in the growth of the market in a fair and reasonable way.

B. The introduction of minimum prices for U.K. grain imports.

C. The introduction of "standard quantities" for grain whereby the deficiency payments to U.K. farmers for grain production would be limited.

Under the agreements regarding these changes in U.K. cereal policies, overseas suppliers will cooperate in helping the United Kingdom assure that grain prices in the U.K. market do not fall below the prescribed minimum prices. If c.i.f. duty-paid prices for grain imported from any country should fall below the selected minimums, the United Kingdom may enforce a levy to raise the imported price of the grain from that particular country to the related minimum price. This levy would not affect those countries whose c.i.f. prices remained above the minimum.

Some of the minimum prices are:

	Dol. per bu.
Wheat	1.68¾ to 1.98¾
Corn	1.47
Barley	1.20
	Dol. per m.t.
Flour	88.18 to 110.23

In the past, there have been no limitations on the grain deficiency payments made to British farmers. The standard quantity introduces limitations on the deficiency payments to British farmers, by providing

for lower guaranteed returns to farmers if production exceeds the selected standard quantities. The effect on deficiency payments is illustrated by the example where production is assumed to be such that the standard quantity is 90 percent of production. In such a case, the per-unit deficiency payment would be reduced 10 percent.

Brazil

HIGHLIGHTS OF GRAIN ECONOMY
Government importation of wheat
Quotas for flour mills
Control of foreign exchange
1963-64 minimum producer price (in dol. per m.t.):

Wheat	**89.16**
Corn	**64.57**

Brazil is a state trader in regard to wheat and flour imports. The government itself imports these commodities, based upon estimated total annual domestic requirements and production. The amounts it obtains from the different wheat exporting countries depend somewhat on availability of foreign exchange.

The government annually fixes for each flour mill a minimum quota of domestic wheat and a maximum quota of foreign wheat.

Importing of other grains is usually done by private traders and is subject to control of available reserves of foreign exchange and to various taxes. Importers of such grains must also, in each case, purchase in advance Bank of Brazil notes in an amount equal to 50 percent of total value of the grains to be imported. These notes, which are negotiable, are redeemable in 180 days and bear no interest.

In addition, importers of certain commodities, which include corn, grain sorghums and husked or ground barley, must purchase import permits from the government at public auction.

For grain exports, licenses are required and are issued only when the government is completely satisfied that the domestic market will be sufficiently supplied first.

One goal of domestic policy is to increase national wheat production. A system of domestic minimum prices is employed. Wheat mills are required to buy the entire domestic crop at a fixed price.

Peru

HIGHLIGHTS OF GRAIN ECONOMY
Domestic policy: Increased grain production
1962-63 producer prices (in dol. per m.t.):

Wheat	**61.89**
Corn	**63.39**
Barley	**47.73**

The expressed policy of the government of Peru is to increase grain production. The goal is self-sufficiency. This policy is implemented through the Ministry of Agriculture's National Grain Program, the Agricultural Information and Promotion Service (SIPA), the Joint Agrarian University and Rockefeller Foundation Corn Program, the Agricultural Development Bank Credit Program and miscellaneous development activities such as the expansion of irrigation, transportation, and storage facilities in grain producing areas. The goal of complete self-sufficiency for all grains is unlikely to be achieved in the foreseeable future, however. In 1963, domestic production supplied 25 percent of consumption requirements for wheat, 99 percent for rice, 96 percent for corn, 91 percent for barley and a nil portion of oats. The portion of these grains produced domestically in 1964 is expected to be down, largely because of adverse weather in 1963 and 1964.

It is also a government policy to make available to consumers basic foodstuffs at low prices. This policy receives a higher priority than the goal of self-sufficiency and tends to favor imports of grains. Political attention to recent inflationary price increases have resulted in increased emphasis on the part of the government on the importance of imports as a price stabilizing factor.

All grains, except rice, are sold on the free market. There are no price support systems in effect for wheat or other grains. The marketing of domestic rice was practically free during 1961 and 1962, with producers having the choice of selling either to government at a fixed price or to traders at an open market price.

Because of a short crop, the government resumed control of the marketings of all rice in 1963.

Producers are obliged to sell to the government common grades of rice at a price below the world market level. The government distributes this rice, as well as imported rice to retailers at a fixed price. The government imports common quality rice on its account. The marketing of extra-quality rice, domestic and imported, is free from controls.

Grain imports are subject to import licensing, but import authorizations are freely granted in the case of wheat, barley, and oats. Corn import authorizations are sometimes withheld or limited at the request of producers. Authorizations for imports of extra quality rice are freely granted on the other hand.

There are no exchange restrictions on imports and dollar imports may be made at a free, unitary rate of exchange.

General revenue taxes were levied on November 25, 1963 (Law 14729) and February 27, 1964 (Law 14920). The first one was a 15 percent ad valorem tax on the c.i.f. value of all imports but this was later clarified to exclude grain and other basic foodstuffs. The second, a 3 percent ad valorem tax on the c.i.f. values of all imports, has not yet been clarified as regards grain imports and it may or may not apply to them.

India

HIGHLIGHTS OF GRAIN ECONOMY

Grain imports by government

Wheat, wheat flour exports prohibited

Production input subsidies

1964-65 support prices (in dol. per m.t.):

Wheat	**95.53-112.44**
Sorghum and millet	**73.62- 80.70**
Corn	**75.59- 76.37**

The Ministry of Food and Agriculture handles imports of grains.

Grains are on the free import list (zero duty).

Wheat and wheat flour exports are prohibited.

There are no direct government subsidies available to farmers for regulating acreage or production of agricultural crops.

The support price for the 1963-64 crop of wheat was Rs. 37.51/quintal ($2.14 a bushel), for the common white quality. The support price for the 1964-65 crop of wheat was set at Rs. 49.50/quintal ($2.83 a bushel) for the common white quality.

Production input subsidies include low interest loans and limited subsidies on fertilizer, seed, and pesticide purchases by farmers.

Commodity boards have power to permit or reject extension of acreage of plantation crops for tea, coffee, and rubber.

The government directed factories to restrict their production of sugar in 1961-62 to 90 percent of production levels of the previous 2 years. Farmers were requested to cut back voluntarily on acreage. The restriction and request for acreage cutback has not been in effect during 1962-63, 1963-64, and 1964-65.

An agreement with Canada, October 18, 1961, provided for $7 million worth of wheat under the Colombo Plan. Another agreement with Canada, January 4, 1963, provided for 1.5 million worth of wheat under the Colombo Plan. An agreement with the Australian Wheat Board, April 6, 1962, provided for the commercial purchase by India of 270,000 tons of wheat. Another on July 3, 1962, involved 100,000 tons of commercial purchases of wheat. In May 1963, a new agreement was entered into with the Australian Wheat Board, providing for the commercial purchase by India of 90,000 tons of wheat. In February 1964, another agreement was concluded with the Australian Wheat Board, providing for the commercial purchase by India of 171,000 tons of Australian wheat in calendar 1964. About 103,000 metric tons of wheat were imported in 1962 as a commercial transaction from the United States.

The Government of India has been facing a great shortage of foreign exchange resources for the past several years, and this shortage continues to be the most important limiting factor in the way of commercial imports of grain from foreign countries.

Japan

HIGHLIGHTS OF GRAIN ECONOMY

State trading

Skimmings on imports

Price supported by government purchases

1963-64 producer prices (in dol. per m.t.):

Wheat	**120.00**
Barley	**105.10**
Naked barley	**124.90**

Insofar as wheat, flour, and barley for food are concerned, Japan is essentially a state trader. Imports of these commodities are subject to government fixed semi-annual global quantitative quotas and individual semi-annual foreign exchange quotas. Within these quotas the government Food Agency decides when wheat, flour, or food barley is to be imported, how much of it and from which countries, but the importing is done by registered private traders on behalf of the agency. The traders are awarded import licenses on a bid basis, the bids being the prices at which the traders offer to sell the imported commodity to the agency. The licenses are usually issued to the lowest bidders, and the agency resells the imported commodity in Japan.

Wheat for re-export as flour is not imported by the Japanese Government's Food Agency. Millers can procure this wheat directly. This use has trebled in the past three years and now totals 2.3 million bushels per year, of which half is U.S. Western White.

The Food Agency has two wheat import budgets: one for food wheat, and another for feed wheat.

While there is no quality quota system officially, there appears to be an agreement between the different importers and the Food Agency that involves quantity as well as source. Since the Food Agency purchases food wheat at one price and sells at a higher price, attempts to price U.S. wheat to be competitive in the Japanese market have been hampered.

Japan's import duty of 20 percent is at present suspended. But imports are resold at prices higher than purchase prices. The present skimming charges range from 33 to 55 cents per bushel, according to class of wheat, and average about 45 cents per bushel. The resulting profit is used to offset costs of support programs. Wheat procured under the Food Agency's feed budget is resold, usually at a loss. This method provides a subsidy to the feed industry.

Japan buys large amounts of wheat for feed. The reason for this is related to the two types of mills found in Japan. There are many small (*senkan*) mills, which are not capable of making high flour extractions. There are also a number of very modern flour mills (*Zosan*). The government feels an obligation to these small mills—and it is to these mills that about 50 percent of the imported feed wheat is sold.

The Senkan (small) mills received Manitoba #4 and #5, U.S. Hard

Winter Ordinary, and 13 percent protein feed wheats at concessional prices ranging from $7.50 to $10.50 per ton below F.A. purchase price. The Zosan (large) mills receive Australian FAQ at prices that yield a profit of around $4.00 per ton to the F.A. In both cases, wheat is milled at 45 percent flour extraction and 55 percent "Feed Bran". Flour from Manitoba #4 and #5 and U.S. Hard Winter, 13 percent protein, goes mostly into the bread flour stream. Usually, all other goes into non-bread uses—noodles, confectionery items, cake flour, etc.

Japan is not a state trader in regard to imports of feed grains. Feed grains are not imported on behalf of the government and sold to it. The traders sell such imported grains directly to Japanese processors and other private buyers. Feed barley is an exception. Barley is purchased by the Food Agency the same as wheat (tenders are invited and the F.A. awards import permits). The government fixes the resale prices to private Japanese users. Some losses are incurred in selling for feed use.

Corn imports are not subject to foreign exchange quotas. Milo imports were liberalized for feed use January 11, 1964—duty free.

Domestic grain policies involve government purchases from producers of unlimited quantities, resale of purchased grain at lower prices and attempts to decrease barley acreage. The present arrangement (government purchase and resale at a lower price) involves losses of about $0.80 per bushel for wheat, $0.55 per bushel for barley, and $1.00 per bushel for naked barley.

Israel

HIGHLIGHTS OF GRAIN ECONOMY

Required stocking of wheat by importers

Mixing regulations

State trading

1963-64 producer prices (in dol. per m.t.):

Wheat	**92.67**
Corn	**66.67**
Barley	**66.67**
Sorghum	**60.00**

Wheat was placed on the duty-free list in 1962. There is a requirement that the importer carry a large stock to be eligible to import. However, as these requirements have not been met by any importer, the government is still the sole importer of wheat. Likewise, the government is the sole buyer of domestic wheat.

Feed grains are allocated to livestock and poultry producers by the government but a small free market also exists. Feed grain import requirements are all purchased by the government purchasing missions abroad on behalf of authorized importers. The actual financing of the feed grain imports is carried out by the importers. The authorized importers are 60 percent private traders and 40 percent cooperatives.

About half of the wheat imports and less than half of the feed grain imports have been made under Title I, P.L. 480, recently.

Exporting Countries

Argentina

HIGHLIGHTS OF GRAIN ECONOMY

Low support price

Import duties

1964-65 support prices (in dol. per m.t.):

Wheat	**52.00**
Corn	**40.00**
Barley	**36.67**

Producer support prices for wheat are established by the Grain Board at a level which will guarantee the producer a fair share of the price received for Argentine wheat on the world market.

Export taxes or deductions amounting to 5.3 percent of index value of small grains and 4 percent for corn and grain sorghums are used for support of organizations, such as the National Grain Board and the National Institute for Technology.

Argentina has an agreement to sell Brazil 1 million metric tons of wheat each year, with the actual amount sold negotiated on the basis of Argentine supply and Brazilian need.

Import duties averaging 200 percent ad valorem, levied on all grain imports, effectively prevent imports.

Australia

HIGHLIGHTS OF GRAIN ECONOMY

Absence of production controls

Selling on c.i.f. destination basis

Guaranteed prices to producers

Guaranteed profit

Subsidized freight rates

1962-63 support prices (in dol. per m.t.):

Wheat[1]	**64.04**
Barley[2]	**41.15**

[1] Applies to all Australia.
[2] Applies only to two states—Victoria and South Australia.

The Australian Wheat Board makes export sales on the basis of c.i.f. destination price as well as f.o.b. price.

Australia guarantees wheat producers a return, equal to the cost of production, for all wheat consumed domestically plus 150 million bushels for export. Guarantee for 1964-65 is $1.63 per bushel.

The Australian Wheat Board sells wheat to millers for production of export flour at a price that guarantees a reasonable profit.

No production control is practiced in wheat farming.

A premium of up to 3 cents per bushel is payable on exports of Western Australian wheat to give farmers of that State the benefit of any freight advantage they enjoy over Eastern States.

Freight subsidies are being paid on cargoes, destined for South America and the West Indies, which may also include parcels of flour.

Canada

HIGHLIGHTS OF GRAIN ECONOMY

Freight assistance

Export prices without storage costs

Bilateral contracts

Restrictive licensing

1962-63 producer prices (in U.S. dol. per m.t.):

Wheat ________________56.64

Barley ________________47.98

The Canadian Wheat Board, established under the Canadian Wheat Board Act of 1935, has responsibility for the orderly marketing of western grains entering inter-Provincial and export trade. The Board undertakes to market wheat, oats, and barley on behalf of the producers in the Provinces of Manitoba, Saskatchewan, and Alberta and in specified areas of British Columbia and Ontario.

The Canadian Wheat Board Act makes abundantly clear the control which the government has assumed over the marketing of grain from western Canada. This control extends from the issuance to producers of the permit books to the loading of wheat on ships for export. For barley and oats, it extends to the lakehead.

Each year the producer applies for a permit book and specifies the point where he wishes to make deliveries. An elevator operator can receive grain only if the person delivering the grain furnishes a permit book which shows that he is entitled to deliver grain to that specific delivery point and has a quota remaining for the quantity of grain he is delivering. The operator sends a sample of the grain to the Inspection Branch of the Board of Grain Commissioners, as well as required reports to the Wheat Board on the quantity and grade of grain received. The Board maintains records on individual farm deliveries and storage locations of grains by grade and quantity. It is thus able to regulate the flow to the terminals by calling for only the grades of grain that are required to meet commitments or keep an adequate level in terminals.

Pooling System

The entire commercial supplies of wheat, oats, and barley from the designated area are placed in annual marketing pools by grades. The

Board then endeavors to effect throughout the year an orderly movement of grain from the western producers to the consumer, whether domestic or foreign. The annual pooling method of marketing permits a uniform per-bushel return to all producers for each grade, regardless of the time of the year the grain is delivered. There is no compensation for storage on the farm.

The producer receives a certificate at the time of delivery which entitles him to any additional payments that may result from the marketing operations of the pool to which he has delivered his grain. The pool period for the three grains covers deliveries in the crop year (August 1-July 31) but continues until the grain has been sold or transferred to the next pool.

Initial Payment.—At some date before the beginning of each crop year, the government establishes the initial price at which the Wheat Board will purchase wheat from the producers throughout the crop year. Such factors as current and prospective market demand and prices may make a specific level of initial price advisable.

Canadian farmers receive the initial payment upon delivery of their grain to any elevator which acts as an agent for the Wheat Board. The payment, which can vary from year to year, is now C$1.50 per bushel for Manitoba No. 1, in store at Fort William/Port Arthur or Vancouver. This rate, which became effective March 1, 1962, is being paid for all deliveries to the 1961-62 pool account. For more than a decade before this, the payment had been C$1.40.

Fixed charges are deducted from the initial payment. These include transportation from the delivery point to Vancouver or Fort William/Port Arthur, elevator handling fees, and Wheat Board operations costs. Thus, producers in the central wheat producing area of Saskatchewan receive about C$1.32 per bushel as an initial payment for Manitoba Northern No. 1. Payment for other grades varies according to quality.

The board is guaranteed by the Government of Canada against any deficit which it may incur as a result of being unable to dispose of wheat at a price higher than the initial payment to the producer. Therefore, the inherent price guarantee is that the producer's return cannot fall below the level of the annual initial payment. Only twice has the government been required to make up Wheat Board deficits—once on wheat more than 20 years ago and once on oats in 1956-57.

Interim and Final Payment.—An interim payment is authorized if a pool's grain is selling well enough or if its market prospects are sufficiently good that a surplus on the Board's operations for that pool is a virtual certainty. From 1953-54 to 1961-62, an interim payment of 10 cents per bushel was paid annually. The interim payment is really an advance on the final payment.

While a pooling period ends July 31 and a new pool is started August 1, it may be 6 months or more before the financial position of

the former pool can be determined. The date depends on the progress the Board has made in disposing of the grain stock held in the pool. If the pool is entirely sold within a few weeks or months after the end of the crop year, the pool may be closed. The pool may also be closed at a date after July 31 each year, but before complete disposal of stocks. The remaining stocks are transferred into the pool established for the subsequent year. The accounting technique of the transfer has been developed so as to effect a final settlement with the producer within a reasonable time. An endeavor is made to price the transferred stocks at a level with neither profit nor loss to either of the pools in question. Any funds that have accumulated on the Board's operation are then distributed to the producer as a final payment in accordance with the quantity and grade of grain which was delivered during the crop year.

Freight Assistance

The Crow's Nest Pass Agreement, signed in 1897, controls Canadian freight rates for the railway movement of western grain and flour eastward to Fort William/Port Arthur. The rates were reduced in 1898 and 1899 and continue today as maximum rates. In 1927, the Crow's Nest rate level was extended to grain shipped to Pacific ports and Churchill, but for export only.

The Federal Government pays a subsidy to the railroads to compensate for the fact the government has not permitted rate increases for several years. While this payment is made to the railroads, it results in the producer receiving a higher price for his wheat than if the wheat price actually covered freight costs. An example of freight rates is the freight rate from Moose Jaw to Fort William/Port Arthur of about 12.0 cents per bushel. In the United States, the rate for a comparable distance—Goodland, Kansas, to Chicago, Illinois—is 47.4 cents. The Canadian government also pays storage costs for carryover of wheat above a level of 178 million bushels.

Wheat Selling Policy

The Wheat Board announces the daily wheat selling price at the major export terminals. Most sales are made by private grain firms acting as agents of the Board. However, a foreign buyer may deal directly with the Board if he chooses, but even in those cases, supplementary contracts usually are concluded between the buyer and the private trade. Sales may be made on current prices with the delivery in the future. The Wheat Board—or actually the producer—absorbs the storage costs until the wheat is shipped. This distinct advantage has been underscored in the recent wheat sales to the USSR with delivery extending over 11 months. Other countries have also been offered this same type of contract.

Recently, Canada negotiated several 3- to 5-year bilateral agreements involving the supply and purchase of wheat.

Restrictive Licensing of Grain

Barley and oats imports require licenses which are controlled by the Canadian Wheat Board. Feed grain consumption in Eastern Canada has reached a level considerably above Canadian barley and oats production and has resulted in large quantities of U.S. corn being imported. However, only in years of very small barley and oats crops has the Canadian Wheat Board issued licenses for barley or oats imports. Imports of wheat are severely restricted and require licensing by the Wheat Board.

Feed Grain Assistance

Feed freight assistance was initiated in 1941 to aid eastern farmers in procuring larger quantities of western feed grains. Under the current policy, freight assistance to eastern Canada is paid on feed wheat, oats, barley, rye, screenings, and millfeeds shipped from Fort William/Port Arthur to points in Ontario, Quebec, and the Atlantic Provinces and from Calgary or Edmonton to destinations in British Columbia when the commodities are for livestock feed. The basic assistance rate before September 1964 was C$5.00 per ton to points in Ontario and Quebec as far east as Montreal freight-rate zone. This included destinations having the same freight rates from Fort William as the rate from Fort William to Montreal, that is, most of Ontario and a number of points in Quebec. In August 1963 the Canadian Government announced two major changes in its eastern feed grains policy. The first of these was the payment of feed grain storage costs of 1/30 cent per bushel per day in licensed eastern terminal elevators from October 15, 1963 to April 15, 1964. The second change allowed grain dealers buying feed grains from the Canadian Wheat Board to protect themselves from declining prices. By paying an initial deposit when placing an order, the company could get immediate delivery of the grain and pay the balance when the grain was resold or sooner (no later than April 15). The final payment represented the difference between the initial payment and the Wheat Board's cash price on the date the final payment was made. This procedure constituted a hedge against falling prices, while the dealer could complete payment at any time to take advantage of rising prices.

In September 1964, improvements were made in the transportation section of the feed grain assistance program. Specific levels of assistance were set out for geographical areas. Although the total amount of money available for assistance was little changed, the new specific levels were related to a least-cost method of transport—boat, rail, or truck—whereas formerly they were related to rail transport alone. An example: The level of assistance to western Ontario was reduced to C$4.80 per ton while assistance to eastern Ontario was raised to C$5.20.

Corn imports from the United States totaled 22,207,836 bushels in the 1963-64 Canadian crop year (August-July) as compared with 30,046,830 bushels in 1962-63. Movement of Canadian feed grains under

freight assistance to eastern Canada and British Columbia during August-July 1963-64 was 32 percent greater than in the previous crop year, according to preliminary payment claims.

South Africa, Republic of

HIGHLIGHTS OF GRAIN ECONOMY

Absence of production controls
State trading
Export subsidies, domestic subsidies
1964-65 support prices (in dol. per m.t.):

Wheat	**83.97—90.25**
Corn	**46.28**

South Africa has no system of production controls.

Prices of corn and wheat paid to farmers and cooperatives are fixed by the Maize (corn) and Wheat Boards under the direction of the Department of Agricultural Economics and Marketing. The boards, through cooperatives and direct purchases from producers, have a complete monopoly on the marketing of grain. Payments are made by the government for storage and other grain handling costs. Also, sales into the domestic market are subsidized. For exports of corn and primary corn products the government subsidizes the rail freights by US$0.07 per 200-lb. bag.

Exports and imports of corn and meal are also completely controlled by the Wheat and Maize Boards. Import permits and quotas are established by the Department of Agricultural Economics and Marketing. The import tariff on wheat is non-preferential; it is U.S.$0.364 per 100 lb. Corn is not imported in significant amounts.

Prices of flour and bread are fixed by the Wheat Board. Subsidies are paid on milling and on bread production. On white cornmeal, the major grain item in the human diet, varying subsidies are paid to maintain stable consumer prices.

Grain Tariff Schedules for Importers

AUSTRIA: Grain import duties

Foreign Tariff Number	Commodity	Specific duty: In schillings	Specific duty: In U.S. dol.	Ad valorem equivalent	Bound in GATT
		Per 100 kg.[1]	*Per m.t.*	*Percent*	
10.01	Wheat	68	26.30	38	No.
11.01	Wheat flour	[2]170	65.76	66	No.
10.05 A	Corn	53	20.50	37	No.
10.07	Grain sorghum	10	3.87	[3]70	No.
10.04	Oats	53	20.50	[4]37	No.
10.03 A	Barley	53	20.50	37	No.
10.03 B	—do—	62	23.98	44	No.
10.02	Rye	62	23.98	44	No.

[1] US$0.038675 per Schilling.
[2] Minimum duty. A 38 percent ad valorem duty is effective if it is greater than 170 schillings per 100 kg.
[3] In addition to import duty, a sales tax of 5.25 percent of total import value (including customs duty) is levied on canary seed and 1.80 percent on other grain under tariff No. 10.07.
[4] In addition to import duty, a sales tax of 1.8 percent is levied.

DENMARK: Grain import duties

Foreign Tariff Number	Commodity	Duty	Bound in GATT
10.01	Wheat	Free	U.S.
11.01 B	Wheat flour	Free	Other.
10.05	Corn	Free	No.
10.07	Grain sorghum	Free	No.
10.04	Oats	Free	Other.
10.03	Barley	Free	Other.
10.02	Rye	Free	Other.

EEC: Grain import duties[1]

Foreign Tariff Number	Commodity	Duty	Bound in GATT
		Percent	
10.01	Wheat	20	No.
11.01 A	Wheat flour	30	No.
10.05 B2	Corn	9	No.
10.07 B	Grain sorghum	8	No.
10.04 B	Oats	13	No.
10.03 B	Barley	13	No.
10.02	Rye	16	No.

[1] Common External Tariff
Not applicable. Variable levies in effect.

EEC: Duties on grain, by member countries, before application of Common External Tariff (CXT)[1]

Commodity	Benelux	France	W. Germany	Italy
	Percent	*Percent*	*Percent*	*Percent*
Wheat	<u>0</u>	<u>30*</u>	<u>20*</u>	<u>30*</u>
Wheat flour	<u>0*</u>[2]	30	<u>13*</u>	32[3]
Corn	0	<u>30</u>	<u>0*</u>	25
Grain sorghums	<u>0</u>	<u>20</u>	0	15
Oats	0	40	0	<u>25</u>
Barley	0	<u>40</u>	0	<u>10</u>[4]
Rye	0	<u>30</u>	<u>20</u>	<u>10</u>[5]

Note. —underlined indicates bound in GATT.
* Indicates bound to U.S.
[1] In the period immediately previous to Feb. 13, 1960, all duties were suspended. State trading was in effect in France and Italy, a variable levy was in effect in Germany and the Netherlands. Belgium had an import tax in effect.
CXT duties became effective February 13, 1960, but were not applied at that time, nor have they been applied since.
The Common Agricultural Policy for Grain became effective July 30, 1962.
[2] 65,000 ton quota, 3 percent above quota bound.
[3] Base rate 60, effective 32.
[4] Malting.
[5] Base rate 30, effective 10.

FINLAND: Grain import duties

Foreign Tariff Number	Commodity	Special import tax[1]			Bound in GATT
		Fmk./ 100 kg.[2]	*US$/m.t.*	*Ad val. equiv. (percent)*	
10.01	Wheat	Free	—	0	No.
11.01	Wheat flour	8	24.82	25	No.
10.05	Corn	20	62.06	113	No.
10.07	Grain sorghum	10	31.03	56	No.
10.04	Oats	12.5	38.79	70	No.
10.03	Barley	15	46.54	85	No.
10.02	Rye	Free	—	0	No.

[1] Cereals are technically duty-free, however specified taxes are assessed.
[2] US$0.310566 per Fmk.

GREECE: Grain import duties

Foreign Tariff Number	Commodity	Duty			Bound in GATT
		Dr./ 100 kg.[1]	*US$/ m.t.*	*Ad val. equiv. percent*	
10.01 A	Wheat	4	1.33	2	U.S./Canada
11.01 A	Wheat flour	12	4.00	4	U.S./Canada
10.05 A	Corn, white	6	2.00	4	No.
10.05 B	Corn, other	26	8.66	15	No.
10.07 A	Grain sorghum	6	2.00	4	No.
10.04	Oats	5	1.67	3	No.
10.03	Barley	5	1.67	3	No.
10.02	Rye	5	1.67	3	No.

[1] US$0.03333 per drachma.

IRELAND: Grain import duties

Foreign Tariff Number	Commodity	Duty	Bound in GATT
10.01	Wheat	Free[1]	No.
11.01	Wheat flour	Free	No.
10.05	Corn	Free	No.
10.07	Grain sorghum	Free	No.
10.04	Oats	Free	No.
10.03	Barley	Free	No.
10.02	Rye	Free	No.

[1] Temporary duty from Dec. 6, 1962 to Nov. 1, 1963 of £3 10s. per long ton ($9.64 per metric ton); equals ad valorem equivalent of 14 percent.

NORWAY: Grain import duties

Foreign Tariff Number	Commodity	Duty	Bound in GATT
10.01	Wheat	Free	Other.
11.01	Wheat flour	Free	U.S.
10.05	Corn	Free	No.
10.07 B	Grain sorghum	Free	No.
10.04	Oats	Free	Other.
10.03	Barley	Free	Other.
10.02	Rye	Free	Other.

PORTUGAL: Grain import duties

Foreign Tariff Number	Commodity	Duty			Bound in GATT
		Esc./ kg.[1]	*US$/ m.t.*	*Ad val. equiv. (percent)*	
10.01	Wheat	([2])	([2])	—	No.
11.01–01	Wheat flour	([2])	([2])	—	No.
10.05	Corn	Max. 1.80 Min. 0.60	62.93 20.91	114 38	No.
10.07	Grain sorghum	Max. 3.20 Min. 1.60	111.52 55.76	203 101	No.
10.04	Oats	Max. 2.00 Min. 1.00	69.70 34.85	127 63	No.
10.03	Barley	Max. 2.00 Min. 1.00	69.70 34.85	127 63	No.
10.02	Rye	Max. 2.00 Min. 1.00	69.70 34.85	127 63	No.

[1] U.S. $0.03485 per escudo.
[2] Subject to special legislation.

SPAIN: Grain import duties

Foreign Tariff Number	Commodity	Import duty[1]	Excise fee	Variable levy[2]		Bound in GATT
				US$/ m.t.[3]	*Ad val. equiv. (percent)*	
		Percent	*Percent*			
10.01	Wheat	1.0	8.0	State trading		No.
11.01. A	Wheat flour	38.5	9.0	State trading		No.
10.05. B	Corn	1.0	8.0	7.14	13	U.S.
10.07. B2	Grain sorghum	1.0	8.0	8.57	16	U.S.
10.04. B	Oats	18.5	7.0	([4])		No.
10.03. B	Barley	1.0	7.0	7.14	13	U.S.
10.02. B	Rye	1.0	7.0	([4])		No.

[1] Suspended.
[2] Paid in addition to import duty; changed periodically; those given were effective June 4, 1964.
[3] U.S. $0.0168 per peseta.
[4] Not available.

SWEDEN: Grain import duties

Foreign Tariff Number	Commodity	Import taxes			Bound in GATT
		Kr./ 100 kg.[1]	*US$/ m.t.*	*Ad val. equiv. (percent)*	
10.01	Wheat	28.65	55.15	79	No.
11.01	Wheat flour	31.70–39.30[2]	61.02–75.65	61–76	No.
10.05	Corn	20.00	38.50	70	No.
10.07	Grain sorghum	19.00	36.58	66	No.
10.04	Oats	17.00	32.72	60	No.
10.03	Barley	18.00	34.65	63	No.
10.02	Rye	28.65	55.15	100	No.

[1] US$0.1925 per Kr.
[2] As of Nov. 19, 1964 compensation tax of 5.10 to 6.85 kr./100 kg. ($9.82–$13.19) was assessed in addition to import taxes specified.

SWITZERLAND: Grain import duties

Foreign Tariff Number	Commodity	Duty			Bound in GATT
		Sw. fr./ 100 kg.[1]	*US$/ m.t.*	*Ad val. equiv. (percent)*	
10.01	Wheat	3.0	6.95	10	No.
11.01	Wheat flour	4.5	10.43	10	No.
10.05.01	Corn	.5	1.16	2	No.
10.07.01	Grain sorghum	.6	1.39	2	No.
10.04.01	Oats	.6	1.39	2	No.
10.03.01	Barley	.6	1.39	2	No.
10.02.01	Rye	3.0	6.95	13	No.

[1] US$0.231735 per Sw. Fr.

UNITED KINGDOM: Grain import duties[1]

Foreign Tariff Number	Commodity	Duty	Bound in GATT
		Percent	
10.01 (A)	Wheat	Free	U.S.
11.01 (B)	Wheat flour	10[2]	Canada.
10.05 (A)	Corn, white	10[2]	No.
10.05 (C)	Corn, other	Free	U.S.
10.07	Grain sorghum	10[2]	U.S.
10.04	Oats	8.27 m.t.[2 3]	No.
10.03	Barley	10[2]	U.S. and Chile
10.02	Rye	10[2]	No.

[1] All grains subject to minimum import price. [2] Commonwealth imports free.
[3] U.S.$2.80 per £ I (1 pound). $0.14 per shilling.

BRAZIL: Grain import duties

Foreign Tariff Number	Commodity	Duty	Bound in GATT
		Percent	
10.01 001	Wheat	50[1]	U.S.
11.01 006	Wheat flour	60	No.
10.06	Corn	50	No.
10.07	Grain sorghum	60	No.
10.04	Oats	50	No.
10.03	Barley	15	No.
10.02	Rye	30	No.

[1] Free tariff quota of 750,000 m.t. bound in GATT to U.S.

PERU: Grain import duties

Foreign Tariff Number	Commodity	Duty			Additional duties c.i.f. value	Additional duties Ocean freight	Bound in GATT
		Soles 100 kg.[1]	*US$/ m.t.*	*Ad. Val. equiv. percent*	*Ad. val. percent*	*Ad. val. percent*	
10.01 – 0.01	Wheat[2]	5	1.86	27	15	—	No.
11.01 – 0.05	Wheat flour[2]	50	18.64	19	30	—	No.
10.05 – 0.01	Corn	20	7.46	14	30	4	Yes.
10.07 – 0.99	Grain sorghum	50	18.64	34	25	4	No.
10.04 – 0.01	Oats	10	3.73	7	15	4	No.
10.03 – 0.01	Barley	10	3.73	7	15	4	No.
10.02 – 0.01	Rye	5	1.86	3	15	4	No.

[1] US$0.03729 per sole.
[2] May be imported exempt from all import duties under a special exemption regulation, on the terms and conditions provided by the Ministry of Finance and Commerce, to cover a national production deficit.

INDIA: Grain import duties

Foreign Tariff Number	Commodity	Duty	Bound in GATT
10 (1)	Wheat	Free	No.
11 (1)	Wheat flour	Free	No.
10	Corn	Free	Other.
10	Grain sorghum	Free	U.S.
10	Oats	Free	No.
10	Barley	Free	No.
10	Rye	Free	No.

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ISRAEL: Grain import duties

Foreign Tariff Number	Commodity	Duty			Bound in GATT
		I£ 100 kg.[1]	*US$/ m.t.*	*Ad val. equiv. (percent)*	
10.01 (a)(&)(i)	Wheat	Free	—	0	U.S.
11.01 (a)	Wheat flour	Free	—	0	No.
10.05	Corn	Free	—	0	No.
10.07 6	Grain sorghum	Free	—	0	No.
10.04	Oats	1	3.33	6	No.
10.03 (a)(&)(i)	Barley	Free	—	0	Other.
10.02	Rye	Free	—	0	No.

[1] US$0.33333 cents per Israeli pound.

JAPAN: Grain import duties

Foreign Tariff Number	Commodity	Duty, general	Bound in GATT
		Percent	
10.01	Wheat	20 [1]	No.
11.01	Wheat flour, general use	25	No.
	Wheat flour, other[2]	12.5	Yes.
10.05	Corn, feed	0	U.S.
	Corn, other than feed	10	No.
10.073	Grain sorghum	5[3]	U.S.[3]
10.04	Oats	10	No.
10.03	Barley	10[1]	No.
10.02	Rye	15	No.

[1] Temporary duty zero.
[2] For manufacturing monosodium glutamate.
[3] Applicable only to non-GATT member. Zero duty applicable to GATT member and bound to U.S.

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